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SENATE BILL 6755

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State of Washington

60th Legislature

2008 Regular Session

By Senators Brown, Zarelli, Spanel, Berkey, Parlette, Pridemore, Eide, Hewitt, and Shin; by request of State Investment Board

Read first time 01/23/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to compensation of state investment board  
2 personnel; and amending RCW 43.33A.100.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 43.33A.100 and 2001 c 302 s 1 are each amended to read  
5 as follows:

6 The state investment board shall maintain appropriate offices and  
7 employ such personnel as may be necessary to perform its duties.  
8 Employment by the investment board shall include but not be limited to  
9 an executive director, investment officers, and a confidential  
10 secretary, which positions are exempt from classified service under  
11 chapter 41.06 RCW. Employment of the executive director by the board  
12 shall be for a term of three years, and such employment shall be  
13 subject to confirmation of the state finance committee: PROVIDED, That  
14 nothing shall prevent the board from dismissing the director for cause  
15 before the expiration of the term nor shall anything prohibit the  
16 board, with the confirmation of the state finance committee, from  
17 employing the same individual as director in succeeding terms.  
18 Compensation levels for the executive director, a confidential  
19 secretary, and all investment officers, including the deputy director

1 for investment management, employed by the investment board shall be  
2 established by the state investment board. The investment board is  
3 authorized to maintain a retention pool, from the earnings of the funds  
4 managed by the board, pursuant to a performance management and  
5 compensation program developed by the investment board, in order to  
6 address recruitment and retention problems and to reward performance.  
7 The compensation levels and incentive compensation for investment  
8 officers shall be limited to the average of total compensation provided  
9 by state or other public funds of similar size, based upon a biennial  
10 survey conducted by the investment board, with review and comment by  
11 the joint legislative audit and review committee. (~~However, in any~~  
12 ~~fiscal year the salary increases granted by the investment board from~~  
13 ~~the retention pool to investment officers pursuant to this section may~~  
14 ~~not exceed an average of five percent.))~~

15 The investment board shall provide notice to the director of the  
16 department of personnel, the director of financial management, and the  
17 chairs of the house of representatives and senate fiscal committees of  
18 proposed changes to the compensation levels for the positions. The  
19 notice shall be provided not less than sixty days prior to the  
20 effective date of the proposed changes.

21 A retention pool account is established in the custody of the state  
22 treasurer, funded from the earnings of the funds managed by the state  
23 investment board, proportional to the value of the assets of each fund  
24 as provided for in RCW 43.33A.160(2). Disbursements from the retention  
25 pool account shall be on authorization of the board's executive  
26 director or the director's designee. In order to maintain an effective  
27 expenditure control, the retention pool shall be subject to the  
28 allotment procedures in chapter 43.88 RCW. No appropriation is  
29 required to permit disbursements from the retention pool account.

30 As of July 1, 1981, all employees classified under chapter 41.06  
31 RCW and engaged in duties assumed by the state investment board on July  
32 1, 1981, are assigned to the state investment board. The transfer  
33 shall not diminish any rights granted these employees under chapter  
34 41.06 RCW nor exempt the employees from any action which may occur  
35 thereafter in accordance with chapter 41.06 RCW.

36 All existing contracts and obligations pertaining to the functions  
37 transferred to the state investment board in (~~this 1980 act~~) chapter  
38 3, laws of 1981 shall remain in full force and effect, and shall be

1 performed by the board. None of the transfers directed by (~~this 1980~~  
2 ~~act~~) chapter 3, Laws of 1981 shall affect the validity of any act  
3 performed by a state entity or by any official or employee thereof  
4 prior to July 1, 1981.

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